

FISCAL NOTE

SB 269 - HB 439

February 12, 2001

SUMMARY OF BILL: Authorizes local education agencies (LEAs) to enter into contracts with accredited non-public schools if the LEA determines that the non-public school can appropriately assist with the instructional, equipment or facility needs of the LEA. However, no child may receive instruction, use such equipment or attend such facility without prior written approval of a parent or legal guardian. No such contract may violate any constitutional, statutory or regulatory requirements of the federal government. The LEA shall continue to receive any state or local funding for such students as though such students were in attendance at the schools operated by that LEA.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures - Net Impact - Exceeds \$100,000/Permissive

Estimate assumes:

- the median annual price for sending a child to a non-church-related private school in 1997 was \$4,885 according to the National Center for Education Statistics' Condition of Education 1999 report. The median price for elementary schools was \$4,535 and the median price for secondary schools was \$5,235. (Using the Bureau of Labor Statistics CPI Inflation calculator, comparable tuition for the 1999-00 school year would be \$5,241). Total state and local revenues per pupil for the five identified counties ranged from \$4,652 to \$5,597 for the 1999-00 school year. In four of the five identified school systems experiencing overcrowding, the amount of expenditures per pupil is below the 1997 median price of private schools (and below the 2000 estimated private school tuition). Assuming these five systems chose to utilize private schools to reduce the system's population, the amount of net increase in expenditures for these LEAs would be \$1,064,781 using the 2000 estimated cost of private schools.
- transportation costs could increase if the LEA was still responsible for transporting these students, especially if the contract could include private schools outside the LEA.
- a potential local cost avoidance (debt service) for capital improvements if a LEA opted to send children to a non-public school rather than build new school buildings. However, if school overcrowding was significant enough to require the building of a new school there may not be enough private school slots available in some locations to eliminate a system's overcrowding problem. To the extent that a school system was able to delay or replace construction of a new school, that system would avoid the cost of debt service; however, the amount of any such cost avoidance cannot be determined.

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- the bill will not affect the amount of funding provided by the state through the BEP.

Based on information provided by the Office of Education Accountability of the State Comptroller's office, five high-growth local education agencies (LEAs) were identified. This was accomplished using 1999-00 adjusted average daily membership (ADM) counts and the average annual percent change in ADM since 1991-92. Overcrowding is defined as those LEAs gaining an average of 20 or more students per school with their current school facilities at maximum capacity.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director